

FISCAL NOTE

HB 2840 - SB 2918

February 22, 2002

SUMMARY OF BILL: Specifies that a property management company can collect sales and use tax from the individual property owner of property used as vacation lodging. Removes sunset date of December 31, 2002 for provision specifying that tangible personal property within residential property used as overnight rentals shall be classified as other tangible personal property rather than commercial property. Defines vacation lodging service as any person who engages in the business of providing management services of residential units owned as sleep accommodations for pay to travelers staying not more than 30 days rather than not more than 14 days as under current law. Specifies that funds derived from rental of vacation properties owned by vacation lodging services are exempt from escrow and trustee account requirements.

ESTIMATED FISCAL IMPACT:

Forgo Local Govt. Revenues - Exceeds \$100,000 FY 03-04 and thereafter

Estimate assumes in the absence of the bill, local governments would have experienced an increase in revenues once the classification of tangible personal property of residential property used as overnight rentals reverted to commercial property. Under the provisions of the bill, the current classification of such property will continue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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